

Suspense - Liquidation - Policy

WASHINGTON - PERS. PERS. 1

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8 January 1946

Not Sent

MEMORANDUM FOR THE ASSISTANT SECRETARY OF WAR

1. In accordance with your instructions based on the recommendation of the Lovett Committee directing me to take charge of operations and administration of SSU and to coordinate its activities with similar operations of G-2, the following is reported:

a) Practically all personnel of SSU engaged in other than foreign espionage and counter-espionage and activities incident thereto, have been liquidated.

b) The personnel remaining in these vital activities have been reduced to a small and efficient group which will be of maximum value to the CIA when established.

2. Therefore, it is recommended that the present liquidation program of SSU be continued and the Unit completely liquidated without reference to the new Agency effective 60 days after the establishment of the CIA.

3. The 60-day delay recommended above for the liquidation of SSU after the establishment of the CIA will afford that Agency an opportunity to screen, select and hire the SSU personnel most qualified to carry out

TOP SECRET

Suspense - Liquidation - Policy

TOP SECRET

the CIA directives.

4. Your approval of this proposed plan of operation is requested.

S. LEROY IRWIN
Major General, USA
Director, Interim Intelligence

Approved:

Assistant Secretary of War

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9 January 1946

Not Sent

MEMORANDUM FOR MAJOR GENERAL S. LEROY IRWIN

1. With a view to establishing sound operating procedure incident to the development of the proposed Central Intelligence Agency, which we understand will be a secret clandestine intelligence and counter-intelligence operation in the foreign field, and with a view to pursuing the policy of the War Department heretofore laid down relative to the operations of SSU, the following recommendations are set forth:

a) Immediate steps should be taken, for obvious security reasons, to insure that any Executive Order dealing with the establishment or creation of a CIA will be undertaken without reference to either SSU, its functions, or its present or past operations, however with the express understanding that the personnel of SSU will be the nucleus of the new Agency.

b) SSU should be completely liquidated without reference to the establishment of the new Agency. However, such final liquidation should be ordered effective not later than 60 days from the establishment of the CIA. This will permit the new Agency to screen the personnel

Suspense - Liquidation - Policy

TOP SECRET

TOP SECRET

presently assigned to SSU, with a view to utilizing their services where qualified, it being understood that SSU personnel will have priority consideration.

c) It is further recommended that the Executive Order establishing the CIA be written in such manner as to provide for the transfer of such funds, supplies, and physical properties as may be requested by the Director of the CIA, on the approval of the Director of the Bureau of the Budget.

2. Recommendation 1 (b) above, calling for complete liquidation of SSU, is imperative if we are to carry out the present program and policy laid down by Executive Order and the directive of the Assistant Secretary of War to you. Otherwise, should an Executive Order be issued establishing the CIA provide for the transfer of personnel, functions and property of SSU to CIA, the Director of CIA would then be forced into a consolidation and merger activity which would remove his authority to screen personnel and to achieve the complete security which I believe to be essential in the new Agency. Such an event may, in certain instances, prohibit the CIA from placing in its key positions the best qualified personnel now on duty with the SSU.

JOHN MAGRUDER
Brigadier General, USA
Director

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WAR DEPARTMENT
Washington, D. C.
27 September 1945

MEMORANDUM FOR BRIGADIER GENERAL JOHN MAGRUDER, USA:

By Executive Order dated September 20, 1945, the President terminated the Office of Strategic Services, effective 1 October 1945; transferred certain of its personnel, records, property and funds to the Department of State; and transferred the remaining functions, personnel, records, property and funds to the War Department.

You are hereby appointed as the representative of the Secretary of War and the War Department to exercise, administer and operate (with power of delegation and successive redelegation where appropriate) the functions, personnel, records and property which have been, or will be, transferred to the War Department and the Secretary of War under the Executive Order and to administer all funds allocated to you by the Budget Officer of the War Department, such operations to be known as Strategic Services Unit. Subject to the authority of and policies determined by the Assistant Secretary of War, and such persons as he may designate, you will continue the program of liquidation of those activities and personnel so transferred which are no longer necessary or desirable, and preserve as a unit such of these functions and facilities as are valuable for permanent peacetime purposes, or which may be required by Theater Commanders or occupational authorities to assist in the discharge of their responsibilities.

You will report to and receive instructions from the Assistant Secretary of War or such persons as he may designate. Subject to the authority of the Assistant Secretary of War or of the persons designated by him, you may have direct contact with any of the appropriate officers of the armed services or government departments as may be necessary for the proper performance of your duties.

I would appreciate your informing all of your personnel of the importance which I attach to the achievement of the objectives set forth in this memorandum.

/s/ Robert P. Patterson
Secretary of War

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